

United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov

IN REPLY REFER TO: 3809 (UT-924-OA) UTU-75847 JUL 1 8 2004

DIV OF OIL GAS & MINING

July 14, 2004

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

DECISION

Obligor/Operator:

KSC Rocks Inc. and Steven Sorenson

235 N. Main

Kanosh, UT 84637

Financial Institution: Wells Fargo Bank, N.A. 45 S Main Fillmore, UT 84631 Notice Operation:

UTU-75847

Bond Amount:

\$1,075.00

Financial Guarantee Accepted Notice Extended

A notice extending the above-mentioned 3809 notice was filed with the Fillmore Field Office, Bureau of Land Management (BLM). The reclamation cost estimate is determined to be \$1,075 for the above-mentioned notice operation.

On July 1, 2004, this office received evidence of a certificate of deposit (CD) account as the financial guarantee for the bond in the amount of \$1,075 and on July 12, 2004, we received a Surface Management Personal Bond contract to secure a bond for the notice identified above. The bond and the financial document have been examined and found satisfactory. The financial guarantee is accepted as of July 12, 2004, and accordingly, the above-mentioned notice is extended until January 20, 2005.

The bond covers operations conducted by or on behalf of the obligor/operator on the above-mentioned notice.

The pledge for the bond is a CD written by the financial institution named above. The CD will be retained in this office until all terms and conditions of the operations have been fulfilled or until a satisfactory replacement bond has been accepted. If the term of the CD expires prior to release or replacement of the bond, the obligor may request the return of the certificate only by providing a replacement certificate made payable to the Department of the Interior-BLM, and bearing interest payable to the obligor or some other

party. Otherwise, the certificate will be redeemed or retained for potential redemption to guarantee fulfillment of the obligor's obligations on the above-mentioned notice.

Please be advised that release of the funds in the account to any party will be allowed only after Secretarial approval is given to the financial institution through the BLM Utah State Office. Also, any penalties for early redemption of the CD account will be paid from the obligor's interest earned and not from the principal amount of the CD.

If you have any questions, please contact Opolonia Abeyta at (801) 539-4123.

JAMES F. KOHLER

James F. Kohler, Chief, Branch of Solid Minerals

cc: Sheri Wysong, Fillmore Field Office (UT010)
Terry Snyder, Utah State Office, UT-923
Joelle Burns, UDOGM, File No. S/027/067

Form 3809-2 (January 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SURFACE MANAGEMENT PERSONAL BOND

Act of May 10, 1872, as amended (30 U.S.C. 22-54) Act of December 29, 1916, as amended (39 Stat. 862) Act of October 21, 1976, as amended (43 U.S.C.1732-35, 1782) Act of September, 13, 1982 (31 U.S.C. 9301 et seq.)

Act of September 27, 1988 (102 Stat. 1776) Act of April 16, 1993 (43 U.S.C. 299) FORM APPROVED OMB NO. 1004-0194 Expires: January 31, 2007

Individual 1/17	W 75847 Sta	atewide	; or Na	tionwide
	BLM Serial No.)	(Enter Name of State, if applicable		("Yes," if applicable)
KNOW ALL MEN B	Y THESE PRESENTS, THA	T_KSC ROCKS	Inc	Steven Sorenson
of	235 97	main Kanash	(name)	84637
as principal; is held	firmly bound unto the Unit	ed States of America in the sum of	thous	and seventy
Five	and		U. S. do	
lawful money of the	United States which may	he increased or decreased by a rider hereto execut	ed in the same r	nanner as this bond

The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney-in-fact for the purpose of negotiating the cash, letters of credit, savings accounts, certificates of deposit, or securities. The interest accruing on the United States securities, cash, or other instruments given above, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond, the plan of operations/notice, must be paid to the principal. The principal hereby, for any heirs, executors, administrators, successors, and assignees, jointly and severally, ratifies and confirms whatever the Secretary will do by virtue of these presents.

The Secretary will transfer this deposit for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, the plan of operations/notice cited above, and the regulations at 43 CFR 3802 and 43 CFR 3809. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that the Secretary will have full power to assign, appropriate, apply, or transfer the deposit, or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default.

BOND CONDITIONS

- 1. WHEREAS, the principal has an interest in a mining claim(s), mill site(s), or tunnel site(s) and/or responsibility for operations and/or reclamation on the mining claim(s), mill site(s), tunnel site(s) or public lands under the Acts cited in this bond; and
- WHEREAS, the principal has filed an acceptable notice with the United States Department of the Interior, Bureau of Land Management (BLM) and/or
 received approval from the BLM of the plan of operations cited above and said plan of operations/notice contains certain stipulations and conditions;
- 3. WHEREAS, the principal hereby waives any right to notice of, and agrees that this bond will remain in full force and effect notwithstanding:
 - a. Any transfer(s) in whole or in part, of any or all of the land covered by the plan of operations/notice further agrees to remain bound under this bond as to the interests in the plan of operations/notice retained by the principal; and
 - b. Any modification of the plan of operations/notice or obligations thereunder; and
- 4. WHEREAS, the principal hereby agrees that notwithstanding the cancellation or relinquishment of any mining claim(s), mill site(s), or tunnel site(s) covered by this plan of operations/notice, whether by operation of law or otherwise, the bond will remain in full force and effect as to the terms and conditions of the plan of operations/notice, and obligations covered by this bond; and
- 5. WHEREAS, the principal agrees that in the event of any default under the plan of operations/notice and/or reclamation plan the bond may be forfeited and, the United States, through the BLM, may commence and prosecute any claim, suit, or other proceeding against the principal without the necessity of joining the owner(s) of the mining claim(s), mill site(s), or tunnel site(s) covered by the plan of operations/notice; and
- 6. WHEREAS, if the principal fails to comply with the provisions of 43 CFR 3802 and 43 CFR 3809, the principal will also be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1733 and 1735). This provision will not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default; and

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.



- 7. WHEREAS, on the faith of the foregoing promises, representations, and appointments, and in consideration of this bond, the United States has accepted the notice or approved the plan of operations referenced herein.
- 8. NOW, THEREFORE, the condition of this obligation is such that if said principal(s), heirs, executors, administrators, successors, or assignees will, in all respects, faithfully comply with all of the provisions of the plan of operations/notice referenced herein, any amendments thereto, and the regulations at 43 CFR 3802 or 43 CFR 3809, then this obligation will be null and void; otherwise it will remain in full force and effect.

Executed this 8th day of July	.20 <u>04</u> :
State of UT1914	Principal · MSC Rodl's Inc
County of MILARD	By Steven Sorenson (Print name)
Subscribed and sworn to before me this day	Signature Steen Jamor Socuron
of July , 20 <u>04</u> .	Title Presdent
Denel J. Del' (Notary Public)	Business Address
11/10/07	(TÎN or ŠSN No., if applicable)
(Date Commission Expires)	(TIN OF SSN NO., IT applicable)

If this bond is executed by a corporation, it should bear the seal of the corporation, if applicable.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 22 et seq.; 43 U.S.C. 1732[b] and 1782[c]; 31 U.S.C. 9301 et seq.; 43 CFR 3802 and 43 CFR 3809.

PRINCIPAL PURPOSE: Information is being used to establish financial responsibility for surface disturbance on public lands.

ROUTINE USES: BLM will only disclose the information according to the regulations at 43 CFR 2.56(d).

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is necessary to receive a benefit. Failure to disclose this information may result in BLM's rejection of your application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to grant the right to conduct exploration and mining activities on public lands.

Response to this request is required to obtain a benefit.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 8 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0194), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Washington, D.C. 20240.





BOND CONDITIONS (Continued)

- 7. WHEREAS, on the faith of the foregoing promises, representations, and appointments, and in consideration of this bond, the United States has accepted the notice or approved the plan of operations referenced herein.
- 8. NOW, THEREFORE, the condition of this obligation is such that if said principal(s), heirs, executors, administrators, successors, or assignees will, in all respects, faithfully comply with all of provisions of the plan of operations/notice referenced herein, any amendments thereto, and the regulations at 43 CFR 3802 or 43 CFR 3809, then this obligation will be null and void; otherwise it will remain in full force and effect.

	•
Executed this day of	,20 <u>04</u> :
State of UTT9H	Principal - HSC Rods Inc
County of MILLARD	By Steven Sovenson (Print name)
Subscribed and sworn to before me this day	Signature Steen La Mor Sorenson
of <u>hly</u> , 20 <u>of</u> .	Title Presdent
Cerel J. Oll' (Notary Public)	Business Address
· .	- Manash Utah 84637
11/10/07	
Date Commission Expires) SATE OF UTAH MACHINES 11-10-2007	(TIN or SSN No., if applicable)

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Time Account Receipt/Disclosure

Time Account number		Date opened	(A)	Term of Time Account	
		06/29/200)4	12 month	s days
Maturity date		Interest rate	Fixed rate	Variable rate	Annual percentage yield
Your Time Account will mature on	06/29/2005	1.14	x		1.15
Interest will be paid					
EVERY 03 MONTHS AND AT WITH	HDRAWAL				
EVERY 03 MONTHS AND AT WITH The method of interest payment will be	HDRAWAL				
The method of interest payment will be	HDRAWAL	-0	OPY-	E	
	HDRAWAL	-0	OPY -	Taxpayer Identification	Number (TIN)
The method of interest payment will be BY ADDING TO PRINCIPAL Renewability	HDRAWAL EW MY TIME ACCOUNT	- C	OPY -	Taxpayer Identification	Number (TIN)
The method of interest payment will be BY ADDING TO PRINCIPAL Renewability YOU WILL AUTOMATICALLY REN	EW MY TIME ACCOUNT	OT NE	OPY - GOTIABI	Taxpayer Identification	Number (TIN)
The method of interest payment will be BY ADDING TO PRINCIPAL Renewability	EW MY TIME ACCOUNT Y YOU OTHERWISE.		OPY - GOTIABI	Taxpayer Identification	Number (TIN)

STEVEN L SORENSON GALE'S GOLD
KSC ROCKS PAYABLE TO THE US DEPARTMENT OF
INTERIOR - BLM
235 N MAIN ST
KANOSH UT 84637

-COPY-NOT NEGOTIABLE

06/29/2004 09:46 U5046 02862 Bank#

This is a receipt. It need not be presented at the time you obtain payment from the Bank.



Page: 1 Document Name Untitled

RSMU CO 119 OP RST HARD HOLD INQ/MAINT

04/06/29 11.52.51

MS

ACTION INQ

COID

ACCT COND

PROD CODE CDA ACCT

SHORT NAME SORENSON STEVEN L

ACTION SUCCESSFUL

CLASS 1 (1,2,3) TYPE 20

SEQ

RSHO 2 FSS

CURRENCY

TYPE CODE.....

DATE PLACED.....

104/06/29

REASON CODE.....

DATE EXPIRES.....

999/99/99

STATUS CODE.....

1

-COPY-NOT NEGOTIABLE

SPECIAL COMMENTS LINE 1

SPECIAL PURPOSE CD

LINE 2

SECRETARY OF INTERIOR - BLM

RESTRAINT REASON LINE 1

MUST APPROVE THE REDEMPTION OF

LINE 2

CD BY ANY PARTY.

NOT NEGOTIABLE

STATUS CODE VALUES :

1 = ACTIVE

2 = DELETE

A = ACTIVE PAID

B = DELETE PAID

PF: 2-CONT 4-CHG 5-FAD 6-INQ 9-NXT ..-DEL ..-ADD

3270 Ses 10.103.30.202

LUDITZD

3/9

Dave Dallin Phone#

U5046

02862 U1508-011

Wells Fargo Bank, N.A.

COID 119

Fillmore Office

AU 05068

Band for UTU- 75847

45)743-6814 45 5 main 8463 Fillware

Name: utah1608 - Date: 06/29/2004 Time: 10:53:01